

134 James Hunter CUES Emerge DEI Lending

July 2022

By James Hunter

Lisa Hochgraf 00:04

You're listening to the CUES Podcast, episode 134.

Lisa Hochgraf 00:09

Thank you CUES podcast listeners for tuning in. As you know, on this podcast you can hear from a wide range of cross-industry experts discussing trends and topics relevant to you.

Lisa Hochgraf 00:20

My name is Lisa Hochgraf, and I'm CUES' senior editor, as well as your host for this episode.

Lisa Hochgraf 00:26

I think you're going to enjoy hearing from today's guest just as much as I enjoyed talking with him. Here at CUES, we first got to know James Hunter well when he was a finalist and then runner-up in the CUES Emerge program in 2020. His project focused on how credit unions can help members avoid predatory lending.

Lisa Hochgraf 00:44

James earned his CCM, the Certified Credit Union manager designation, upon completion of the education component of the CUES Emerge program in 2021, and again this year, James has been a CUES Emerge mastermind, helping to guide CUES Emerge participants through the program during both years.

Lisa Hochgraf 01:03

James is also the chief diversity officer of \$243 million New Orleans Fireman's Federal Credit Union. He comes to that role having served previously as a credit union chief lending officer, and a senior vice president of mortgage lending, as well as a board member for Inclusiv.

Lisa Hochgraf 01:21

In the show, James not only talks about how the CUES Emerge program helped to propel his career, but also about how his previous experiences helped direct his current work. I think you'll find insights you can apply at your own credit union.

Lisa Hochgraf 01:35

So let's get started.

Lisa Hochgraf 01:38

Welcome to the show, James.

James Hunter 01:40

Well, thank you for having me, Lisa. How are you?

Lisa Hochgraf 01:42

I'm doing so well today. I'm so glad to have you on the show. Before we get to talking about your experience with CUES Emerge, with DEI, with lending, I'd like to help our listeners get to know you a little bit. I was wondering if you might have a professional quote or a mantra that you live by that you became to share?

James Hunter 02:00

Absolutely. I think that there's one that resonates in my mind very well. It comes from James Baldwin. He states that anyone who's ever struggled with poverty knows how extremely expensive it is to be poor.

James Hunter 02:12

Wow, that's powerful. Tell me a little bit about how that applies to how you live and how you work?

James Hunter 02:18

Well, in my daily duties, I use that as my guiding principle, to realize that bad things happen to good people. And it's my job to realize that once those things happen, some people lose their way. And I want them to understand that there is an opportunity for them to get back on course, and get back into the right behaviors and values that have given them that will give them a chance to live their best financial future, and also be a part of the American dream.

Lisa Hochgraf 02:43

Very inspiring. And it aligns well with credit union philosophy in my mind too.

James Hunter 02:47

Indeed.

Lisa Hochgraf 02:49

So let's start off now by talking about your pathway through the CUES Emerge program. As I understand it, you were first a program participant, and then you've also been a mastermind. Would you walk us through what you did first with your own project? And then with helping other participants?

James Hunter 03:05

Yes, absolutely. This is actually my second year serving as a mastermind. And I'm gonna say this in advance. My experience has been nothing short of amazing. I've built many relationships. Every time I go somewhere, people say, "You're the guy from CUES." And I also have become a thought leader on serving underserved and persistent poverty. So all of that is a direct reflection of what CUES has done for me, giving me that platform.

James Hunter 03:32

My personal narrative that I gave to the CUES competition was how to credibly overcome predatory lending. And I use the cooperative approach of credit unions to uniquely come up with ways to help people bridge that divide by education, and pairing it with the right products and coaching, you're able to help people get back into a positive reality of people feeling good about their finances, and start living the best financial future. That was the platform I used for competition. And I still use that right now because it has shown and proven to be a very good method to help people get from where they are to where they want to be.

Lisa Hochgraf 04:13

That's a great mission, James and listeners, I'm going to put a link in the show notes to James's presentation for CUES Emerge so you can listen to his story and check out all the details of his project.

04:26

The second part of that, as you mentioned, you know, what is it what have I done for other people as a mastermind? I've taken that position where I help people step outside their comfort zone. Many people involved in the competition are very nervous about this. This is the first time being in some kind of a competition. And I want them to realize that there is no competition. It's all about inspiring them to help them understand what they can bring to the table that may be the true answer for what kind of problem that impels all of us. I also also try to help them understand how important it is to network and make memories because when you fast-forward and look back at it, the people you've met, the relationships that you build is invaluable. I'll tell you about a story real quickly.

Lisa Hochgraf 05:10

I would love it.

James Hunter 05:11

As soon as I finished the competition and realized that I was the runner-up, of course, I was not the happiest camper. But at the same time, as I told you, it wasn't a competition between me and someone else. It was between me and me, me and my shadow.

James Hunter 05:23

A week later, I get a phone call. And our credit union received for the first time CDFI money, community development, financial institutions get money for being CDFIs, for doing a mission, and serving the underserved. And we received a grant for over \$657,000 based on the work that was done off of the information I provided for my project. And that right there, that catapulted me from being a person that was in in the role to the person who was on top of the world because we won. Our members one.

Lisa Hochgraf 05:59

That's great perspective, James, I really appreciate that. It sounds like you've taken away a lot from your participation in the CUES Emerge program.

James Hunter 06:08

Absolutely.

Lisa Hochgraf 06:09

So let's move on a little bit to talk about what you're doing now as the chief diversity officer for New Orleans Fireman's Federal Credit Union. How did you come to be in this role? What were your stepping stones along the way?

06:22

Well, along the way, I would call it life. Throughout my entire life, I've been always one that is, looked to see it in a room, who's the oddball out, who's the person who is not being recognized, who the person that needs to be included in the conversation, which goes into my career of working in banking, trying to always give people the consideration they need and making them feel important from that to join a credit union where I was working heavily in mortgages, working with people trying to get them to be first time homebuyers. Working in the deep south with Hope Federal Credit Union, where we were able to do over \$60 million of lending in two years, to 90% first-time homebuyers.

James Hunter 07:06

Helping people build equity by realizing that the best way they can do that is by being a homeowner and having integrity and pride in what they do. Those are things that helped me get to this point where I realized that this is what I've been doing all along I became the chief lending officer for a credit union and I was able to help implement strategies, policies, and help get people to realize how we can start walking the walk instead of just talking, which goes back into where I'm at where I'm at right now, with Fireman's Federal Credit Union. This is an opportunity where I get to build a platform with all these different things that I've learned. And I call them a pot of gumbo, my quilt of tricks and understood things to bring equity, and to a credit union that's already doing the work of diversity and inclusion. The one things you can always look at when you look at DEI is that, yes, people are always looking to be diverse. They're always looking to be inclusive. But the most part that's understood, misunderstood is the equity part. Having equal access and resources to training, workplace environment, right products or services. These things don't come easily. So I feel it as an obligation to try to make the best environment I can for the people who work here. So they can feel good about what they do for them as they serve.

Lisa Hochgraf 07:06

wow

Lisa Hochgraf 08:25

Yeah, your position is especially interesting to me because of your experience in lending. So I've been thinking about, reflecting on how a lot of chief diversity officers are perhaps a little bit more focused on the internal work of diversity for the organization, then maybe on the external work of equity and products or making sure that the credit union is serving the underserved. How does your position pan out? Are you doing work on both sides of that, the HR side sort of and also the outside products and services side? Talk to me about your goal for the position.

09:01

It is a hybrid role, where I look at the internal and work with their executive team to make sure that everyone from the people who do the cleaning of the building to the people who run the building are diverse, that we represent that in our hiring practices, and that we try to have a better way of doing things. One thing that I'm working on now is making a diversity team for the credit union. So once we have a platform of individuals in the credit union who can advocate for different ideas and conversations that need to be had that can help stir the pot and help us advance our education about each other. That stuff is going to take place. But it's deeper than that because externally we have members who are struggling.

Lisa Hochgraf 09:45

Tell me a little bit about your credit union. I gather the core membership was originally firemen. But who's who are you serving today? And also how long have you been in the role? And how does that impact what you've been able to do so far and what your next goals are?

10:02

Well, our membership is based of firemen who founded the credit union. But it stretches way further than to zones that are outside of the realm of firemen. Over 60% of the people that we serve are people of low to moderate income means. And we look at them as ways to help bridge the financial wealth divide by making their lives easier and better by giving them affordable products and services that are going to help them get to that point. I've been in this role right now since December of 2021. But as I mentioned earlier, I've been doing this for the better part of my life. And I actually, ironically, when I was given a second place runner-up opportunity to take advantage of the prize from CUES. I used that to help qualify myself in DEI by getting certified in DEI to Cornell University.

Lisa Hochgraf 10:58

So you took the CUES, e Cornell course on diversity, equity and inclusion.

11:03

I sure did, which I think is an amazing opportunity to give you a good foundation of some great ways to bring about good conversation and change throughout the organization. But as I mentioned, my job is not just that. It's more also making products and services with our executive team to help bring justice and equity to people. Because if you don't have equity, you're not really doing a good job at diversity, diversity and inclusion because a lot of people behind the starting gate, and then we feel it every day. I mean, right now, across the nation, inflation is at an all-time high, the highest it's been since 1982. 69% of Americans have less than \$1,000 in their savings account.

Lisa Hochgraf 11:49

Yeah.

James Hunter 11:50

Right now, people are paying \$250 more in bills, groceries and gas. That is important to understand. But as you drill down to the level of being in the state of Louisiana and Mississippi, the states we operate within, at the Fireman's Federal Credit Union, we have a situation is really haunting us. We rank 49 of 50, respectively, according to the News and World Report's for the best states to live in. We

suffer when it comes to crime and corrections, education and opportunity, and infrastructure. That right there means that that's a lack of jobs, which have a higher crime, earlier death rates. It just persistent poverty mindset. Did you know that 52 out of 64 parishes in Louisiana are classified as persistent poverty counties?

Lisa Hochgraf 12:40

No, I did not. And that's a big number.

12:44

Yeah, by definition, that means that any county or parish that is 20% or more of its population living in poverty over the past 30 years. That means that when the Feds increased rates recently, and increased the basis by 50 basis points, we just got to understand just how more expensive it is to be poor.

Lisa Hochgraf 13:03

Mm hmm. Yes, that that percent difference might not matter to someone with more income than some of the people you're trying to help and serve right now. Is that a fair assessment?

13:13

That's a very fair assessment. Now there you look at people who are trying to make ends meet, and they realize that they're just trying to do what's right, but then they don't know what what's right. And they get themselves involved in predatory lending.

Lisa Hochgraf 13:24

Yeah

James Hunter 13:25

That right, there is a debt trap for people. One in four people in Louisiana rely on payday loans to make ends meet.

Lisa Hochgraf 13:33

Yeah. Talk to me a little bit more specifically about the products and services that your credit union offers now, that help with this and what you'd like to see the credit union move to doing, move to adding in the future?

13:48

Well, right now, our credit union does a wonderful job and making good products. For example, we have free checking accounts. Believe it or not, there are people that are still going to places and cashing their checks every payday, which is money that can be going back into their pocket. We also have free financial counseling, which provides anyone who wants to step into the right mind frame and understand the behaviors and know what they need to do to get from Step A to Step B to live the best financial life. We have reliable car loans that allow people to get up to 100 over 100% loan-to-value on a vehicle to get a reliable vehicle. We also have a savings component with the car loans, that allows the person to make the payment on their car loan, but a portion of that goes to savings so in case of emergencies, they're able to tap into that money and use that to get the car fixed.

Lisa Hochgraf 14:40

So you're helping them build a contingency fund.

14:43

Exactly.

Lisa Hochgraf 14:44

Yeah.

James Hunter 14:44

We also have payday alternative loans that are given to individuals to help them break the cycle of predatory lending, and help them pay off those lenders and pay us at a lower rate over a longer period of time, which allows them to put money towards principal and pay it off and also get the education they need to start living and understand what they have to do to get into a better financial situation. We also have a first-time homebuyers program that allows a person to go up to 100% loan-to-value with the FICO score as low as 580 with no mortgage insurance.

Lisa Hochgraf 15:18

So James, tell me a little bit more about those lending programs, lending programs where you can I think you said for the car loans, you could lend even a little bit more than the car would be valued at. And you talked about loans that would not require mortgage insurance. How do you make those possible? And how do you make those safe and sound, so to speak, for the rest of the membership?

15:41

Well, what we do is we look at the opportunity that lies in front of us, and we ask ourselves, what is it that's out there that we can use to help leverage that? We use loan loss reserves as a way to help offset that. I mean, we add the provisions to our bottom line to account for the potential for loss. But we also are not afraid to give people an opportunity. We put into a pilot program where we allotted a certain amount of money for people to take advantage of the first-time homebuyer program. We monitor that very closely. We look at how people are performing. We make sure that they go through the education piece to understand what it's like to be a homeowner, some of the detriments that come across that can be roadblocks to being a homeowner. We put our effort into making sure that people are being helped and given a chance. And what I've experienced is that these individuals would rather eat ramen noodles than not pay us because they know that no one else will give them that opportunity to chance that we've given them.

Lisa Hochgraf 16:44

builds loyalty.

James Hunter 16:46

Absolutely.

Lisa Hochgraf 16:48

So one of the questions I think credit unions that are listening might be asking is, do I have to be a CDFI to do this? Is your credit union as CDFI, a community development financial institution or a low-income designated credit union?

17:01

Yeah, our credit union is a CDFI. And no, you don't have to be a CDFI to get involved in this. You just have to have the spirit of servant leadership and look to want to live the credit union philosophy of people helping people to understand creative ways on how to network with credit unions and others on how to get grassroots. What's going on in your community, up to the upper levels of where you are, so you can find ways to creatively resolve them, understanding what their needs are.

Lisa Hochgraf 17:29

Yeah. So that's great. So you're saying that any credit union that wants to get into doing this can look for more ways to work with members that are of lower income? And that's exciting, because then there's no hurdle, there's no application required. You can just think about it, and set something up that works well.

Lisa Hochgraf 17:47

So you've listed a lot of things that New Orleans Fireman's Federal Credit Union already has in place. Do you have some vision for products and services that are already in your mind that you'd like to help implement? Or like you were just saying, is it about talking to members, and finding out what they need, and then designing products that respond to them specifically?

18:09

I think the latter part is where I said, each area you live in is unique. And issues that people are faced with are gonna reflect what's going on. I think it's important to get down to the grassroots and realize how you can help the people in your environment, your area. Once you understand that, you can take that to understand what you can do to make products and services to help offset that. I'm a firm believer that if you have the right product, paired with coaching, that you can help people break their debt cycle and achieve financial accessibility.

Lisa Hochgraf 18:45

How do you do that exactly? I mean, you probably have quite a lot of members, thousands of members. How do you talk to them? Or do you survey them? Or do they come into the branch and when they're doing something else, then you talk with them? How do you learn what their current situation is like and how you might be able to help them?

19:02

Well, you I got a firm statement that you people where they are. We talk to people at different grassroots organizations. We offer free financial counseling. We're going to places for a period of time, and we'll just talk about what's important with a certain topic because they won't ask the questions. What's hindering you? What is this impeding you from being your best financial person, your best financial future? And we ask the questions readily, and we listen for the common ground, the common themes resonate from that. We go into religious organizations and we ask questions about what is,

what the members want. We take every opportunity we can to find out what it is that makes a person tick. If we understand what they value, if we understand what motivates them, we understand what they are trying to achieve, we can help because we listen. That's so much of a lost art these days.

Lisa Hochgraf 19:57

That's wonderful. It sounds like you're both taking opportunities of when members interact with the credit union. And also, you're working with community partners, like nonprofit organizations and churches and other places where your members are living the other parts of their lives when they're not dealing with their money directly. Umm.

James Hunter 20:15

Exactly. That's a great definition of meeting people where they are. Thank you.

Lisa Hochgraf 20:18

Yeah, yeah, like that a lot. And the listening, we can do articles and articles and articles about how to listen better. I'm glad that you're so focused on that.

Lisa Hochgraf 20:27

Before we wrap up, um, I want to be respectful of your time today. You're sharing such good information, I want to ask you one more question sort of about the chief diversity officer side of things. On our CUES Net forum on the web, where members get together and they talk about things, there's actually been a thread lately about, so we're forming up a DEI committee and how do we do that? Like, how often would should we meet? And how should we structure this? You said, you're forming up a committee right now, a team to focus it on DEI, internally. What is your approach to that so that others can consider that for what they might want to do?

James Hunter 21:05

Well, I think it's important to look at it like a slice of pie. I want to I want to cut that pie, every angle that involves any attribute that involves someone in my credit union. I want to get a sampling of all the different uniquenesses out there, and differences that exist. I want to make sure that when it's all said and done, everyone feels like they're being looked at and considered.

James Hunter 21:28

Someone gave me a great example of this. It says diversity is being invited to the party. Inclusion is being asked to dance. I want to make sure that I'm actively looking at inviting people and asking them to dance at this party that we're forming. And if you look at it like that, you can't go wrong. Because it's all about servanthood, about making sure you make people feel welcomed. If you do that, people can be their most unique, authentic selves. They can realize what they bring together, the table, and their sense of belonging becomes that much stronger. If make that climate available, and you make sure it's held accountable throughout the organization, that you will find people that will run that group that don't have to be at the top level, because they know that they can have brutal conversations and be honest, and be respectful in their words, in the way they organize meetings, and how they grow as people because, you know, some of the best things I've ever learned are people who are doing the job on a day-to-day basis. And I give them the opportunity to speak freely with respect. You come to find out,

wow, I never looked at it from that perspective. I never looked at it from that lens, you know, with DEI, you look at things where it's like the iceberg where they say 20% is visible and 80% is invisible. I never knew that person had that trait. I never knew that person could do that actual function. You come to realize what people bring to the table. You know, diversity is the one thing that we all share. We need to celebrate it.

Lisa Hochgraf 23:00

Well said, James, I love these ideas. And I want to thank you so much for all of this great information. So as a parting moment, I wonder, is there a question that I didn't ask you that you wish I had? And then of course, what is your answer to that question?

James Hunter 23:16

I think you alluded to it, and I want to elaborate just a little bit more on it. What do others do to get involved in this process of trying to bring equity to diversity and inclusion? That is the question that I pose. And I look at different ways by saying that, if you consider yourselves wanting to live that credit union philosophy of people helping people, ask yourself what can you do with like-minded people to make a change? Look at grassroot organizations you can get involved with to find out what it is that's causing them this heartburn and see how you can solve for it. But that's solving forward with just making diversity and inclusion part of it. What can you do to be the equity injectors, because we already you can be that injector, with our resources that we have, by our influence that we possess. And I'll give you a good example. There's not credit union, but it also is cooperative. In Chicago recently, a local nonprofit announced that they were going to pay the college tuition for more than 4,000 public school students.

Lisa Hochgraf 24:17

Wow.

James Hunter 24:18

Just recently, Evan Spiegel and his wife Miranda Kerr, announced that they're going to pay off student loan debts for all the new graduates of the local junior college. That's the equity that's missing that's going to help catapult people to a better position, that's gonna break a wealth divide. There's going to be that inclusion part that's going to make everyone be able to get where they have to be even quicker. Imagine if we had more people doing that, more credit unions doing it. I want to...

Lisa Hochgraf 24:47

Being the equity injector, right. I love that phrase. That's incredible. So if I'm understanding what you're saying, you're saying a lot of students graduate from college and it's hard work for all of them. However, some of them graduate with less debt than others. Some of them graduate having had to take loans for a lot of their years. And so if you can erase that in that particular inequity, those students start off on the same foot with the opportunity to go get jobs and build wealth and live their financial lives as best as they can. Is that reasonable understanding of what you're what you're saying?

James Hunter 25:21

That right there is an amazing assessment. It gives us the justice that I'm seeking, as I look to do my work that I do with credit unions, in particular New Orleans Fireman's Federal Credit Union. I want to be the equity injector. I want to find ways that we can creatively come up with the resources and tools to help individuals get what they need so they can stop worrying, but also have a peace of mind and live the best financial life.

James Hunter 25:48

You know, I'll share with the public. You know, I'm an example of this at its finest. I come from the streets of Chicago. I come from an impoverished neighborhood that I didn't even know was impoverished because my mother did her best to shield me from it. But it was all said and done where I grew up was still considered the housing projects of Chicago. I was given a scholarship to any high school in Chicago I wanted to go to, and I chose a school that gave me a chance to increase my opportunities for being successful in my life. And I thank the people who gave me that opportunity every day because they didn't have to do that. They saw me being a person who had potential. And the worst thing I think you could ever do in this world was was your potential. And he took a chance and gave me that opportunity. And I feel that it's part of what I do every day to give back. Whether it be monetarily, whether it be spiritually, whether it be mentally, or just inspiring people to realize we have an obligation to people who want to do better. Imagine that this world was giving a chance to people who need that. There's enough sugar everybody be sweet.

Lisa Hochgraf 26:59

You're very inspiring James and I hope credit unions out there will be looking at how they can help people realize their potential, be on the pathway to their potential by erasing inequity that they see and that they have influence on. This has been so great. Thank you so much, James, for being on the show.

James Hunter 27:17

It's my pleasure, Lisa, thank you.

Lisa Hochgraf 27:21

I would like to thank you, our listeners for taking time out of your busy schedules to listen to today's episode of the CUES podcast. And many thanks to James Hunter for sharing such amazing perspective.

Lisa Hochgraf 27:33

A link to James's CUES Emerge presentation plus shownotes and a full transcript of this episode can be found at CUmanagement.com/podcast134.

Lisa Hochgraf 27:44

You can also find more great credit union-specific content at [CU management.com](http://CUmanagement.com).

Lisa Hochgraf 27:50

Find out more about the CUES Emerge program at cuesemerge.com.

Lisa Hochgraf 27:55

CUES members have access to invaluable membership benefits to further enhance their development. Visit cues.org/membership to learn more.

Lisa Hochgraf 28:05

Thanks again for listening today.

Lisa Hochgraf 28:07

CUES is an international credit union association that champions and delivers effective talent development solutions for executives, staff and boards to drive organizational success.